



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
March 4, 2008

**Honorable Mayor and
Members of the City Council**

Title: Reimbursement Agreement for Sump 2A [2/3 Votes Required]

Location/Council District: Sump 2A is located in District 4.

Recommendation: Adopt a **Resolution:** 1) authorizing the City Manager to sign the Reimbursement Agreement for Sump 2A with the Sacramento Regional County Sanitation District (SRCSD); 2) amending the fiscal year 07/08 Capital Grants Capital Improvement and Revenue Budgets by adding \$825,000 for the Sump 2A Pump Replacement Project (X14003200, fund 3702); 3) suspending competitive bidding, in the best interests of the City, for the purchase of a Wemco Hidrostal pump; and 4) authorizing the City Manager to sign a contract with MuniQuip of Roseville, CA, in an amount not to exceed \$442,911.50 for the purchase of the Hidrostal pump including, freight, field testing, and sales tax.

Contact: David L. Brent, Engineering Manager, 808-1420; Rick Batha, Supervising Engineer, 808-1448.

Presenters: Not applicable

Department: Department of Utilities

Division: Engineering Services

Organization No: 3332

Description/Analysis

Issue: Sump 2A is a Sacramento Regional County Sanitation District (SRCSD) facility that the City leases, operates, and maintains as part of its operation of the City's Combined Sewer System (CSS). Three pumps in the facility pump the City's daily wastewater flows and part of the CSS storm flows to the SRCSD's regional wastewater treatment plant. These pumps chronically plug up with rags. The rags cause the pump efficiency to drop, which makes the CSS more susceptible to outflows during storm events. This report requests approval of an agreement with SRCSD to replace one of the three pumps with a Wemco Hidrostal pump as a demonstration project. All City procurement and contract costs for installation of the demonstration pump will be reimbursed by SRCSD. If subsequent evaluation determines that the Wemco Hidrostal pump substantially addresses the capacity problem, then SRCSD agrees to fund future City costs to replace the other two pumps. If, however, subsequent evaluation determines that the Wemco Hidrostal pump has not substantially addressed the capacity

problem, then the agreement obligates the City to participate in subsequent studies with SRCSD regarding the capacity issue, and to refund the reimbursement payments SRCSD made to the City for the one demonstration pump, if it is determined that Wemco Hidrostral pumps will not remedy the problem.

Policy Considerations: Obtaining reimbursement of City procurement costs from SRCSD to improve a facility that the City leases from SRCSD is consistent with Council priorities of fiscal soundness. The intent of the agreement is also consistent with the City's Strategic Plan goals of improving and expanding public safety.

The recommendation to suspend competitive bidding for the purchase of the Wemco Hidrostral pump is in accordance with City Code section 3.56.230(c) that authorizes suspension of competitive bidding if the City Council determines, on a two-thirds vote, that it is in the City's best interests. Suspending competitive bidding for the pump serves the City's best interests because the agreement with SRCSD stipulates a Wemco Hidrostral pump that is only available from Wemco. The Hidrostral pump is a specific engineered product that will allow re-use of the existing drive motor, a considerable cost saving in itself. The Hidrostral pump is available only at the factory set price through Wemco's exclusive area representatives. The exclusive representative for Wemco in the Sacramento area is MiniQuip Inc., located in Roseville, CA. There is no competitive advantage to acquiring this product through a different Wemco representative in another area of the country, as they all receive the same set price as MuniQuip, and other representatives would not be as well positioned to service the equipment for start up and warranty. In addition, MuniQuip has offered to hold the line on scheduled price increases if the pump can be ordered in the first quarter of 2008, and to assist with expediting the pump delivery schedule so it might be installed before the 2008/2009 rainy season.

Environmental Considerations: This project is exempt from CEQA under Section 15301(b) of the CEQA Guidelines (minor alteration of utility facilities involving no expansion of use).

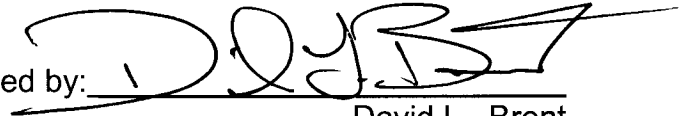
Rationale for Recommendation: Consultant studies to date have identified raggings as the cause of the chronic capacity problem for 3 Sump 2A pumps, and replacement of the existing pumps with Wemco Hidrostral pumps has been identified as the corrective action with the highest expected net savings over the operational life of the equipment. Pump manufacture is a six (6) to nine (9) month process, but the City will avoid scheduled manufacturing cost increases for the initial demonstration pump if the pump is ordered in the first quarter of 2008. Execution of the subject agreement will allow the City to procure the demonstration pump at current prices, and to have SRCSD reimburse the City's procurement and installation costs for all three pumps if the first one is shown to address the capacity reduction problem. Potentially the City may end up paying for the demonstration pump costs if it does not address the problem, but based on the studies to date and experience elsewhere with Wemco Hidrostral pumps, staff does not believe this will occur.

Financial Considerations: Estimated total project cost for installation of one

demonstration pump is \$825,000, which includes procurement of the Wemco Hidrostal pump itself, plus design, bidding, installation and inspection of the complete installation. City staff has negotiated a cost reimbursement agreement with SRCSD that provides reimbursement to City of these project costs, as described above. Staff recommends that the FY 07/08 Capital Grants Capital Improvement Budget be amended to appropriate \$825,000 to the Sump 2A Pump Replacement Project (X14003200, fund 3702). Staff further recommends that the FY07/08 Capital Grants Revenue Budget be amended to recognize \$825,000 in cost reimbursement from SCRSD (X14003200). With approval of the Reimbursement Agreement for Sump 2A, there will be sufficient funds to proceed with procurement and installation of the demonstration pump.

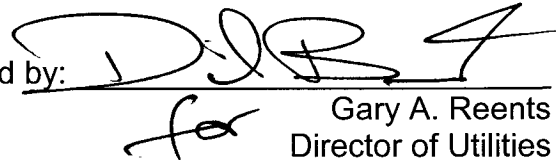
Emerging Small Business Development (ESBD): The installation portion of this project will include a participation goal of 20% for emerging and small business enterprises as required by the City's ESBD program. The dealer providing the pump, MuniQuip of Roseville, is a City certified small business enterprise.

Respectfully Submitted by:



David L. Brent
Engineering Manager

Approved by:


for

Gary A. Reents
Director of Utilities

Recommendation Approved:



for Ray Kerridge
City Manager

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Attachment 1**Background**

SRCSO, under prior agreements between the City and SRCSO, is responsible for costs of the Sump 2A facilities that provide 60 MGD capacity for the City's combined sewer system "dry weather" flow. These facilities include 3 pumps, each with a pumping capacity rated at 30 MGD (e.g., two 30 MGD primary pumps, and one 30 MGD back-up pump), referred to as the "Dry Weather Pumps".

In 2000, City staff operating Sump 2/2A began to notice deficiencies in the operating capacity of the Dry Weather Pumps. Upon investigation, City staff eventually determined that rags deposited into the combined sewer system, primarily by inmates in the downtown County jail, were collecting on the Dry Weather Pump impellers, causing a chronic reduction in pumping capacity.

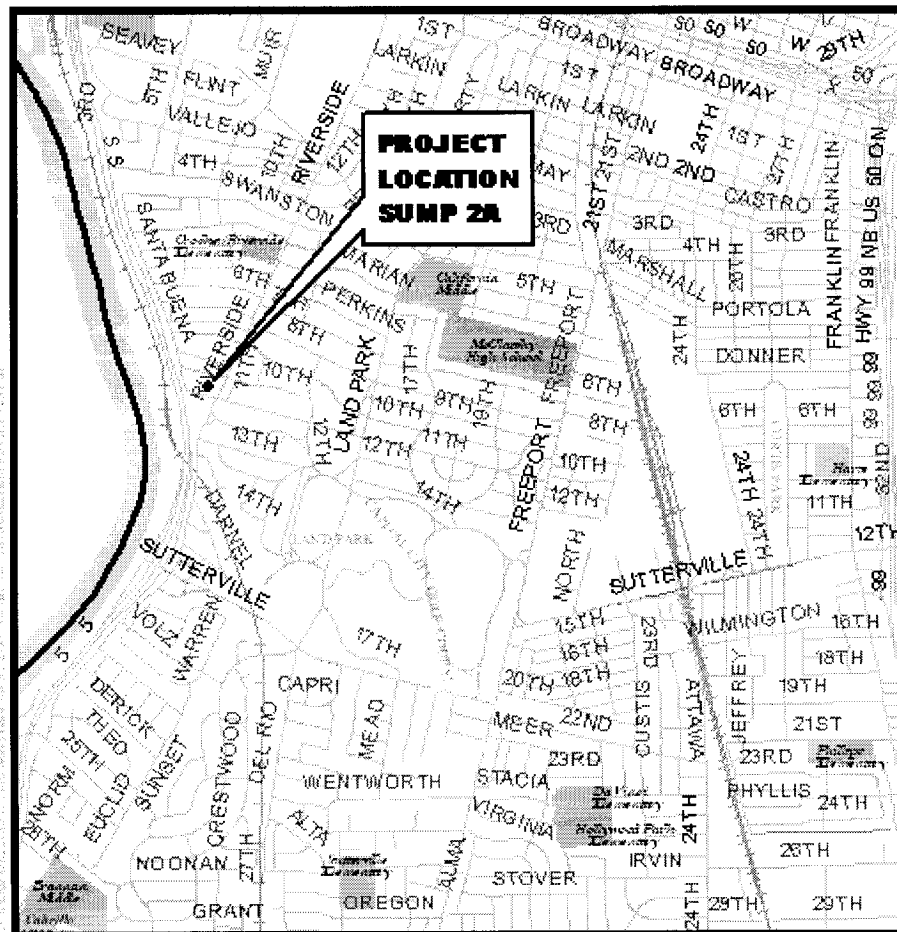
In 2004, SRCSO retained a consultant to study, under the direction of the City, the problem of deficiencies in the operating capacity of the Dry Weather Pumps caused by ragging, and to prepare a Project Development Plan ("PDP") to identify options for remedying the problem. Alternatives identified in the PDP included installing in-line grinders to shred the rags, retrofitting the dry weather trash racks and screening systems, and replacing the Dry Weather Pumps with Wemco Hidrostral Pumps. The PDP determined that replacing the Dry Weather Pumps with Wemco Hidrostral Pumps was the option with the highest expected net savings over the operational life of the equipment.

SRCSO staff has taken the position that additional studies should be conducted before selecting measures to remedy the problem. In lieu of conducting additional studies, City staff wants to move ahead with replacing the existing pumps with Wemco Hidrostral Pumps, preferably at least one pump before the 2008/09 rainy season. City staff supports this decision because it is the option with the highest expected net savings over the operational life of the equipment; smaller versions of the Wemco Hidrostral Pumps have performed well for City Utility Department staff at other facilities; and this option will retain the original design intent of Sump 2A, which was to pass rags and other deleterious materials "downstream" to the regional wastewater treatment plant. Allowing the rags to be removed at SRCSO's treatment plant, rather than having to add new trash handling facilities at Sump 2/2A, will be less disruptive to the Sump 2/2A neighborhood. City staff believes that the decision to proceed with the demonstration Wemco Hidrostral pump installation should be made now, since the lead time for fabricating the required pump is 6 to 9 months.

City staff has negotiated a cost reimbursement agreement with SRCSO that provides for the purchase and installation of one Wemco Hidrostral Pump on a demonstration basis, with reimbursement of the City's costs to do so, provided it successfully addresses the capacity reduction problem. The agreement would require the City to repay SRCSO if it subsequently is determined that the Wemco Hidrostral pump does not remedy the problem, but based on the studies to date and the Department's experience elsewhere with Wemco Hidrostral pumps, staff does not believe this will occur.

Attachment 2

Sump 2A Location



Map Prepared By
City of Sacramento
Department of Utilities
Prepared By: R. Jordan



Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING THE REIMBURSEMENT AGREEMENT FOR SUMP 2A WITH THE SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, AMENDING THE FY07/08 CAPITAL GRANTS CAPITAL IMPROVEMENT AND REVENUE BUDGETS, SUSPENDING COMPETITIVE BIDDING FOR PURCHASE OF A WEMCO HIDROSTAL PUMP, AND AUTHORIZING A CONTRACT TO PURCHASE THE PUMP FROM MUNIQUIP OF ROSEVILLE, FOR AN AMOUNT NOT TO EXCEED \$442,911.50

BACKGROUND

- A. City Utility Dept staff and a consultant retained by the Sacramento Regional County Sanitation District (SRCSD) have identified ragging as the primary cause for reduced capacity of the Sump 2A Dry Weather Pumps.
- B. Reduced capacity of the Sump 2A Dry Weather Pumps makes the City's combined sewer system more susceptible to increased outflows during storm events.
- C. The consultant study identified replacement of the existing pumps with Wemco Hidrostal pumps as the corrective action with the highest expected net savings over the operational life of the equipment. City staff supports this option because smaller versions of the Wemco Hidrostal Pumps have performed well for City operations and maintenance staff at other facilities, and this option will retain the original design intent of Sump 2A, which was to pass rags and other deleterious materials "downstream" to the regional wastewater treatment plant.
- D. City staff has negotiated a cost reimbursement agreement with SRCSD that provides for the purchase and installation of one Wemco Hidrostal Pump on a demonstration basis, with reimbursement of the City's costs, provided it successfully addresses the capacity reduction problem.
- E. It is in the City's best interests to suspend competitive bidding for purchase of the demonstration pump, because the pump called for in the agreement with SRCSD is only available at the factory set price thru Wemco's exclusive area representatives; the exclusive Sacramento area representative has offered to hold the pump price thru March 21, 2008 in spite of a scheduled price increase; the Sacramento area representative is better situated to offer startup and warranty maintenance than any other exclusive area representative; and the Sacramento area representative is offering pro-active assistance to expedite the pump delivery schedule.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to sign the Reimbursement Agreement for Sump 2A with the Sacramento Regional County Sanitation District.
- Section 2. The FY 07/08 Capital Grants Improvement Budget is hereby amended for the Sump 2A Pump Replacement Project by \$825,000 in project X14003200, Fund 3702.
- Section 3. The FY 07/08 Capital Grants Fund Revenue Budget is hereby amended for the Sump 2A Pump Replacement Project by \$825,000 in project X14003200, Fund 3702.
- Section 4. In the best interests of the City, competitive bidding is suspended for purchase of the demonstration Wemco Hidrostal Pump for Sump 2A.
- Section 5. The City Manager is authorized to sign a contract with MuniQuip of Roseville, CA, for an amount not to exceed \$442,911.50, for purchase of the Wemco Hidrostal Pump including freight, field testing, and sales tax.